

confident that for the economy as a whole the share of labor cost in total cost is 0.64.⁶ When the share of labor cost in total cost is set equal to 0.64 in both sectors, then the overall share of labor cost in total cost is 0.64, which matches the actual data. But when the share of labor cost in total cost is not set equal to 0.64 in both sectors, the overall share of labor cost in total cost does not equal 0.64, except by coincidence.

Additional Sensitivity Analysis

Having noted that the share of labor cost in total cost is 0.64 in the U.S. economy (comment #3 directly above), we performed an additional sensitivity analysis that takes account of this fact. In the model, the overall share of labor cost in total cost depends on the share of labor cost in total cost in each sector, as well as on the share of employment in sector 2 (the sector that provides OPEBs subject to SFAS 106). Rather than allowing the share of labor cost in total cost in sector 1, the share of labor cost in total cost in sector 2, and the share of employment in sector 2 to be varied independently of each other, the additional sensitivity analysis requires that these three parameters be varied in a way such that the share of labor cost in total cost for the whole economy is 0.64. Specifically, the share of labor cost in total cost in sector 2 is allowed to take on the values 0.5, 0.64 and 0.78; and the share of employment in sector 2 is allowed to take on the values 0.24, 0.32 and 0.40. For each of these combinations of parameter values, the share of labor cost in total cost in sector 1 is chosen so that in the overall economy the share of labor cost in total cost is 0.64. This additional sensitivity analysis has 216 combinations of parameter values (there are only 1/3 as many combinations because the share of labor cost in total cost in sector 1 is no longer varied independently of the share of labor cost in total cost in sector 2 and the share of employment in sector 2). The results of these runs are shown in Exhibit 3, beginning on page 34.

In this new sensitivity analysis, there were four (4) combinations of parameter values for which the percentage of additional SFAS 106 costs to be met from other sources [column (C)] is less than 60.1%. All four (4) of these parameter combinations have the following characteristics:

1. The price elasticity of demand equals 3.0. As explained above, this value of the price elasticity of demand is just too high to be believed, and we should ignore these combinations of parameter values.

6 See Footnote 2 on page 11.

2. The direct impact of SFAS 106 on labor costs in sector 2 is 4.5%, which is an upper bound on the true value of this parameter according to the sensitivity analysis of the actuarial study. As noted earlier this value is much higher than either the best estimate value or the conservative baseline value used in the original study.
3. The share of employment in sector 2 is 0.4. According to the GAO study cited in the original Godwins study, the probability is greater than 97.5% that the true value of this parameter is less than 0.4.

In summary, many of the combinations of parameters, including all of the combinations that yield less than 60.1% in column (C), are simply not worthy of consideration.

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EXHIBIT 2

Inputs:

- (1) Percentage increase in Labor Cost in Sector of Economy Subject to SFAS 106
- (2) Share of Employment in Sector Subject to SFAS 106
- (3) Labor Cost as a Share of Total Cost in Sector Subject to SFAS 106
- (4) Labor Cost as a Share of Total Cost in Sector Not Subject to SFAS 106
- (5) Labor Supply Elasticity for U.S. Economy
- (6) Price Elasticity of Demand in each Sector

Results:

Percentage of Telco's Additional SFAS 106 Costs -

- (A) Reflected in GNP-PI
- (B) Financed by Potential Reductions in National Average Wage Rate and Other Macroeconomic Effects
- (C) To be Met by Other Sources

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
% Chg.	Empl.	as %	% Total Cost	Labor	Price	Reflected	Other	To be met
Labor	Subj to	Subj to	Not	Supply	Elast.	in	Macroecon.	by Other
Cost	FAS 106	FAS 106	Subj	Elast.	Demand	GNP-PI	Effects	Sources
----	-----	-----	-----	-----	-----	-----	-----	-----
2%	24%	50%	50%	0	1.5	0.2%	7.4%	92.4%
2%	24%	50%	50%	0.1	1.5	1.3%	6.4%	92.3%
2%	24%	50%	50%	0.2	1.5	2.3%	5.5%	92.2%
2%	24%	50%	50%	0.3	1.5	3.2%	4.7%	92.1%
2%	24%	50%	50%	0	3	0.3%	7.3%	92.4%
2%	24%	50%	50%	0.1	3	1.4%	6.3%	92.3%
2%	24%	50%	50%	0.2	3	2.4%	5.4%	92.2%
2%	24%	50%	50%	0.3	3	3.3%	4.6%	92.1%
2%	24%	50%	64%	0	1.5	0.2%	7.9%	91.8%
2%	24%	50%	64%	0.1	1.5	1.5%	6.9%	91.6%
2%	24%	50%	64%	0.2	1.5	2.7%	6.0%	91.3%
2%	24%	50%	64%	0.3	1.5	3.8%	5.1%	91.1%
2%	24%	50%	64%	0	3	0.4%	9.4%	90.2%
2%	24%	50%	64%	0.1	3	1.4%	8.6%	90.0%
2%	24%	50%	64%	0.2	3	2.4%	7.8%	89.8%
2%	24%	50%	64%	0.3	3	3.3%	7.1%	89.6%
2%	24%	50%	78%	0	1.5	0.3%	9.3%	90.4%
2%	24%	50%	78%	0.1	1.5	1.7%	8.3%	90.1%
2%	24%	50%	78%	0.2	1.5	3.0%	7.3%	89.7%
2%	24%	50%	78%	0.3	1.5	4.2%	6.4%	89.4%
2%	24%	50%	78%	0	3	0.4%	14.2%	85.4%
2%	24%	50%	78%	0.1	3	1.4%	13.4%	85.2%
2%	24%	50%	78%	0.2	3	2.3%	12.7%	85.0%
2%	24%	50%	78%	0.3	3	3.2%	12.0%	84.8%
2%	24%	64%	50%	0	1.5	0.2%	7.1%	92.7%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost as % Total Cost				% of Increm. SFAS 106 Costs		
% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
2%	24%	64%	50%	0.1	1.5	1.4%	6.0%	92.5%
2%	24%	64%	50%	0.2	1.5	2.6%	5.0%	92.4%
2%	24%	64%	50%	0.3	1.5	3.6%	4.1%	92.2%
2%	24%	64%	50%	0	3	0.4%	6.0%	93.6%
2%	24%	64%	50%	0.1	3	1.8%	4.8%	93.4%
2%	24%	64%	50%	0.2	3	3.1%	3.7%	93.2%
2%	24%	64%	50%	0.3	3	4.3%	2.6%	93.1%
2%	24%	64%	64%	0	1.5	0.3%	7.4%	92.4%
2%	24%	64%	64%	0.1	1.5	1.7%	6.3%	92.0%
2%	24%	64%	64%	0.2	1.5	3.1%	5.3%	91.7%
2%	24%	64%	64%	0.3	1.5	4.3%	4.3%	91.4%
2%	24%	64%	64%	0	3	0.5%	7.2%	92.3%
2%	24%	64%	64%	0.1	3	1.9%	6.1%	92.0%
2%	24%	64%	64%	0.2	3	3.2%	5.1%	91.6%
2%	24%	64%	64%	0.3	3	4.5%	4.2%	91.3%
2%	24%	64%	78%	0	1.5	0.3%	8.8%	90.9%
2%	24%	64%	78%	0.1	1.5	1.9%	7.7%	90.4%
2%	24%	64%	78%	0.2	1.5	3.4%	6.6%	90.0%
2%	24%	64%	78%	0.3	1.5	4.9%	5.6%	89.5%
2%	24%	64%	78%	0	3	0.5%	12.7%	86.8%
2%	24%	64%	78%	0.1	3	1.9%	11.7%	86.4%
2%	24%	64%	78%	0.2	3	3.1%	10.8%	86.0%
2%	24%	64%	78%	0.3	3	4.4%	10.0%	85.7%
2%	24%	78%	50%	0	1.5	0.2%	6.6%	93.1%
2%	24%	78%	50%	0.1	1.5	1.6%	5.5%	92.9%
2%	24%	78%	50%	0.2	1.5	2.8%	4.4%	92.7%
2%	24%	78%	50%	0.3	1.5	4.0%	3.5%	92.5%
2%	24%	78%	50%	0	3	0.4%	4.5%	95.1%
2%	24%	78%	50%	0.1	3	2.1%	3.0%	94.9%
2%	24%	78%	50%	0.2	3	3.7%	1.7%	94.6%
2%	24%	78%	50%	0.3	3	5.1%	0.4%	94.4%
2%	24%	78%	64%	0	1.5	0.3%	6.5%	93.2%
2%	24%	78%	64%	0.1	1.5	1.9%	5.3%	92.8%
2%	24%	78%	64%	0.2	1.5	3.4%	4.2%	92.4%
2%	24%	78%	64%	0.3	1.5	4.8%	3.2%	92.0%
2%	24%	78%	64%	0	3	0.5%	3.7%	95.7%
2%	24%	78%	64%	0.1	3	2.4%	2.4%	95.3%
2%	24%	78%	64%	0.2	3	4.1%	1.1%	94.8%
2%	24%	78%	64%	0.3	3	5.7%	-0.1%	94.4%
2%	24%	78%	78%	0	1.5	0.4%	7.3%	92.3%
2%	24%	78%	78%	0.1	1.5	2.1%	6.2%	91.7%
2%	24%	78%	78%	0.2	1.5	3.9%	5.0%	91.1%
2%	24%	78%	78%	0.3	1.5	5.5%	3.9%	90.6%
2%	24%	78%	78%	0	3	0.7%	7.1%	92.2%
2%	24%	78%	78%	0.1	3	2.4%	6.0%	91.6%
2%	24%	78%	78%	0.2	3	4.1%	4.8%	91.0%
2%	24%	78%	78%	0.3	3	5.8%	3.7%	90.5%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
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% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
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2%	32%	50%	78%	0.3	1.5	5.4%	7.9%	86.6%
2%	32%	50%	78%	0	3	0.5%	16.6%	82.9%
2%	32%	50%	78%	0.1	3	1.8%	15.6%	82.6%
2%	32%	50%	78%	0.2	3	3.1%	14.6%	82.4%
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2%	32%	64%	50%	0	3	0.4%	8.1%	91.5%
2%	32%	64%	50%	0.1	3	2.3%	6.5%	91.2%
2%	32%	64%	50%	0.2	3	4.1%	5.0%	90.9%
2%	32%	64%	50%	0.3	3	5.7%	3.6%	90.7%
2%	32%	64%	64%	0	1.5	0.3%	9.8%	89.8%
2%	32%	64%	64%	0.1	1.5	2.2%	8.4%	89.4%
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2%	32%	64%	78%	0.1	3	2.4%	14.4%	83.2%
2%	32%	64%	78%	0.2	3	4.1%	13.1%	82.7%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
		as % Total Cost				-----		
% Chg.	Empl.	Subj to	Not	Labor	Price	Reflected	Other	To be met
Labor	Subj to	FAS 106	Subj	Supply	Elast.	in	Macroecon.	by Other
Cost	FAS 106	FAS 106	Subj	Elast.	Demand	GNP-PI	Effects	Sources
-----	-----	-----	-----	-----	-----	-----	-----	-----
2%	32%	64%	78%	0.3	3	5.8%	12.0%	82.2%
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2%	32%	78%	50%	0.2	1.5	3.8%	5.9%	90.3%
2%	32%	78%	50%	0.3	1.5	5.4%	4.6%	90.0%
2%	32%	78%	50%	0	3	0.5%	6.0%	93.6%
2%	32%	78%	50%	0.1	3	2.7%	4.1%	93.2%
2%	32%	78%	50%	0.2	3	4.8%	2.3%	92.9%
2%	32%	78%	50%	0.3	3	6.8%	0.6%	92.6%
2%	32%	78%	64%	0	1.5	0.4%	8.7%	91.0%
2%	32%	78%	64%	0.1	1.5	2.5%	7.1%	90.4%
2%	32%	78%	64%	0.2	1.5	4.5%	5.7%	89.8%
2%	32%	78%	64%	0.3	1.5	6.4%	4.3%	89.3%
2%	32%	78%	64%	0	3	0.6%	5.2%	94.1%
2%	32%	78%	64%	0.1	3	3.1%	3.4%	93.5%
2%	32%	78%	64%	0.2	3	5.3%	1.8%	92.9%
2%	32%	78%	64%	0.3	3	7.5%	0.2%	92.3%
2%	32%	78%	78%	0	1.5	0.4%	9.8%	89.8%
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2%	32%	78%	78%	0.1	3	3.2%	8.0%	88.9%
2%	32%	78%	78%	0.2	3	5.4%	6.5%	88.1%
2%	32%	78%	78%	0.3	3	7.6%	5.0%	87.4%
2%	40%	50%	50%	0	1.5	0.2%	12.4%	87.4%
2%	40%	50%	50%	0.1	1.5	2.1%	10.7%	87.2%
2%	40%	50%	50%	0.2	1.5	3.8%	9.2%	87.0%
2%	40%	50%	50%	0.3	1.5	5.3%	7.8%	86.9%
2%	40%	50%	50%	0	3	0.4%	12.2%	87.4%
2%	40%	50%	50%	0.1	3	2.3%	10.6%	87.2%
2%	40%	50%	50%	0.2	3	3.9%	9.1%	87.0%
2%	40%	50%	50%	0.3	3	5.5%	7.7%	86.8%
2%	40%	50%	64%	0	1.5	0.3%	13.0%	86.8%
2%	40%	50%	64%	0.1	1.5	2.3%	11.3%	86.4%
2%	40%	50%	64%	0.2	1.5	4.3%	9.7%	86.0%
2%	40%	50%	64%	0.3	1.5	6.0%	8.3%	85.7%
2%	40%	50%	64%	0	3	0.5%	14.6%	85.0%
2%	40%	50%	64%	0.1	3	2.3%	13.1%	84.6%
2%	40%	50%	64%	0.2	3	3.9%	11.7%	84.3%
2%	40%	50%	64%	0.3	3	5.5%	10.5%	84.1%
2%	40%	50%	78%	0	1.5	0.3%	14.2%	85.5%
2%	40%	50%	78%	0.1	1.5	2.5%	12.5%	85.0%
2%	40%	50%	78%	0.2	1.5	4.6%	10.9%	84.5%
2%	40%	50%	78%	0.3	1.5	6.5%	9.4%	84.1%
2%	40%	50%	78%	0	3	0.5%	18.7%	80.8%
2%	40%	50%	78%	0.1	3	2.2%	17.3%	80.5%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost as % Total Cost				% of Increm. SFAS 106 Costs		
% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
2%	40%	50%	78%	0.2	3	3.8%	16.0%	80.1%
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2%	40%	64%	50%	0	1.5	0.3%	11.9%	87.9%
2%	40%	64%	50%	0.1	1.5	2.4%	10.1%	87.5%
2%	40%	64%	50%	0.2	1.5	4.4%	8.4%	87.2%
2%	40%	64%	50%	0.3	1.5	6.2%	6.9%	86.9%
2%	40%	64%	50%	0	3	0.5%	10.2%	89.3%
2%	40%	64%	50%	0.1	3	2.9%	8.2%	88.9%
2%	40%	64%	50%	0.2	3	5.0%	6.4%	88.6%
2%	40%	64%	50%	0.3	3	7.1%	4.7%	88.2%
2%	40%	64%	64%	0	1.5	0.3%	12.3%	87.3%
2%	40%	64%	64%	0.1	1.5	2.8%	10.5%	86.7%
2%	40%	64%	64%	0.2	1.5	5.0%	8.8%	86.2%
2%	40%	64%	64%	0.3	1.5	7.1%	7.2%	85.7%
2%	40%	64%	64%	0	3	0.6%	12.1%	87.3%
2%	40%	64%	64%	0.1	3	3.0%	10.3%	86.7%
2%	40%	64%	64%	0.2	3	5.3%	8.6%	86.1%
2%	40%	64%	64%	0.3	3	7.4%	7.0%	85.6%
2%	40%	64%	78%	0	1.5	0.4%	13.9%	85.7%
2%	40%	64%	78%	0.1	1.5	3.0%	12.1%	84.9%
2%	40%	64%	78%	0.2	1.5	5.5%	10.3%	84.2%
2%	40%	64%	78%	0.3	1.5	7.8%	8.7%	83.5%
2%	40%	64%	78%	0	3	0.7%	18.2%	81.1%
2%	40%	64%	78%	0.1	3	3.0%	16.6%	80.4%
2%	40%	64%	78%	0.2	3	5.1%	15.1%	79.8%
2%	40%	64%	78%	0.3	3	7.2%	13.6%	79.2%
2%	40%	78%	50%	0	1.5	0.3%	11.1%	88.6%
2%	40%	78%	50%	0.1	1.5	2.7%	9.1%	88.2%
2%	40%	78%	50%	0.2	1.5	4.9%	7.4%	87.8%
2%	40%	78%	50%	0.3	1.5	6.9%	5.7%	87.4%
2%	40%	78%	50%	0	3	0.5%	7.5%	92.0%
2%	40%	78%	50%	0.1	3	3.4%	5.1%	91.5%
2%	40%	78%	50%	0.2	3	6.0%	2.9%	91.1%
2%	40%	78%	50%	0.3	3	8.5%	0.9%	90.6%
2%	40%	78%	64%	0	1.5	0.4%	11.0%	88.6%
2%	40%	78%	64%	0.1	1.5	3.1%	9.0%	87.9%
2%	40%	78%	64%	0.2	1.5	5.7%	7.2%	87.2%
2%	40%	78%	64%	0.3	1.5	8.1%	5.4%	86.5%
2%	40%	78%	64%	0	3	0.7%	6.9%	92.4%
2%	40%	78%	64%	0.1	3	3.7%	4.7%	91.6%
2%	40%	78%	64%	0.2	3	6.6%	2.6%	90.8%
2%	40%	78%	64%	0.3	3	9.3%	0.6%	90.1%
2%	40%	78%	78%	0	1.5	0.5%	12.3%	87.3%
2%	40%	78%	78%	0.1	1.5	3.5%	10.3%	86.2%
2%	40%	78%	78%	0.2	1.5	6.3%	8.4%	85.3%
2%	40%	78%	78%	0.3	1.5	9.1%	6.6%	84.4%
2%	40%	78%	78%	0	3	0.9%	12.0%	87.1%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost as % Total Cost				% of Increm. SFAS 106 Costs		
% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
2%	40%	78%	78%	0.1	3	3.9%	10.0%	86.1%
2%	40%	78%	78%	0.2	3	6.7%	8.1%	85.2%
2%	40%	78%	78%	0.3	3	9.4%	6.3%	84.2%
3%	24%	50%	50%	0	1.5	0.4%	10.9%	88.7%
3%	24%	50%	50%	0.1	1.5	2.1%	9.5%	88.5%
3%	24%	50%	50%	0.2	1.5	3.6%	8.1%	88.3%
3%	24%	50%	50%	0.3	1.5	4.9%	6.9%	88.2%
3%	24%	50%	50%	0	3	0.7%	10.7%	88.6%
3%	24%	50%	50%	0.1	3	2.3%	9.2%	88.5%
3%	24%	50%	50%	0.2	3	3.8%	7.9%	88.3%
3%	24%	50%	50%	0.3	3	5.2%	6.7%	88.2%
3%	24%	50%	64%	0	1.5	0.5%	11.7%	87.8%
3%	24%	50%	64%	0.1	1.5	2.4%	10.2%	87.4%
3%	24%	50%	64%	0.2	1.5	4.2%	8.8%	87.0%
3%	24%	50%	64%	0.3	1.5	5.8%	7.5%	86.7%
3%	24%	50%	64%	0	3	0.8%	13.9%	85.3%
3%	24%	50%	64%	0.1	3	2.4%	12.6%	85.0%
3%	24%	50%	64%	0.2	3	3.9%	11.4%	84.7%
3%	24%	50%	64%	0.3	3	5.2%	10.3%	84.4%
3%	24%	50%	78%	0	1.5	0.6%	13.8%	85.7%
3%	24%	50%	78%	0.1	1.5	2.6%	12.3%	85.1%
3%	24%	50%	78%	0.2	1.5	4.6%	10.8%	84.6%
3%	24%	50%	78%	0.3	1.5	6.5%	9.4%	84.1%
3%	24%	50%	78%	0	3	0.9%	21.0%	78.2%
3%	24%	50%	78%	0.1	3	2.3%	19.8%	77.8%
3%	24%	50%	78%	0.2	3	3.7%	18.8%	77.5%
3%	24%	50%	78%	0.3	3	5.0%	17.8%	77.2%
3%	24%	64%	50%	0	1.5	0.5%	10.4%	89.1%
3%	24%	64%	50%	0.1	1.5	2.3%	8.9%	88.8%
3%	24%	64%	50%	0.2	1.5	4.0%	7.4%	88.6%
3%	24%	64%	50%	0.3	1.5	5.6%	6.1%	88.4%
3%	24%	64%	50%	0	3	0.8%	8.8%	90.4%
3%	24%	64%	50%	0.1	3	2.9%	7.0%	90.1%
3%	24%	64%	50%	0.2	3	4.8%	5.3%	89.9%
3%	24%	64%	50%	0.3	3	6.6%	3.8%	89.6%
3%	24%	64%	64%	0	1.5	0.6%	10.9%	88.5%
3%	24%	64%	64%	0.1	1.5	2.7%	9.3%	88.0%
3%	24%	64%	64%	0.2	1.5	4.7%	7.7%	87.5%
3%	24%	64%	64%	0.3	1.5	6.6%	6.3%	87.1%
3%	24%	64%	64%	0	3	1.1%	10.5%	88.4%
3%	24%	64%	64%	0.1	3	3.2%	8.9%	87.9%
3%	24%	64%	64%	0.2	3	5.2%	7.4%	87.4%
3%	24%	64%	64%	0.3	3	7.0%	6.0%	87.0%
3%	24%	64%	78%	0	1.5	0.7%	13.0%	86.4%
3%	24%	64%	78%	0.1	1.5	3.1%	11.3%	85.6%
3%	24%	64%	78%	0.2	1.5	5.3%	9.7%	84.9%
3%	24%	64%	78%	0.3	1.5	7.5%	8.3%	84.2%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost as % Total Cost				% of Increm. SFAS 106 Costs		
% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
3%	24%	64%	78%	0	3	1.2%	18.6%	80.2%
3%	24%	64%	78%	0.1	3	3.2%	17.2%	79.6%
3%	24%	64%	78%	0.2	3	5.1%	15.9%	79.0%
3%	24%	64%	78%	0.3	3	6.9%	14.7%	78.5%
3%	24%	78%	50%	0	1.5	0.5%	9.8%	89.7%
3%	24%	78%	50%	0.1	1.5	2.5%	8.1%	89.4%
3%	24%	78%	50%	0.2	1.5	4.4%	6.5%	89.1%
3%	24%	78%	50%	0.3	1.5	6.1%	5.1%	88.8%
3%	24%	78%	50%	0	3	0.9%	6.5%	92.7%
3%	24%	78%	50%	0.1	3	3.4%	4.3%	92.3%
3%	24%	78%	50%	0.2	3	5.7%	2.3%	91.9%
3%	24%	78%	50%	0.3	3	7.9%	0.5%	91.6%
3%	24%	78%	64%	0	1.5	0.7%	9.5%	89.8%
3%	24%	78%	64%	0.1	1.5	3.0%	7.8%	89.2%
3%	24%	78%	64%	0.2	1.5	5.3%	6.1%	88.6%
3%	24%	78%	64%	0.3	1.5	7.4%	4.6%	88.0%
3%	24%	78%	64%	0	3	1.2%	5.3%	93.5%
3%	24%	78%	64%	0.1	3	3.9%	3.3%	92.8%
3%	24%	78%	64%	0.2	3	6.4%	1.4%	92.2%
3%	24%	78%	64%	0.3	3	8.8%	-0.3%	91.5%
3%	24%	78%	78%	0	1.5	0.8%	10.8%	88.4%
3%	24%	78%	78%	0.1	1.5	3.5%	9.0%	87.5%
3%	24%	78%	78%	0.2	1.5	6.0%	7.3%	86.7%
3%	24%	78%	78%	0.3	1.5	8.5%	5.7%	85.8%
3%	24%	78%	78%	0	3	1.5%	10.3%	88.2%
3%	24%	78%	78%	0.1	3	4.1%	8.6%	87.3%
3%	24%	78%	78%	0.2	3	6.6%	6.9%	86.4%
3%	24%	78%	78%	0.3	3	9.0%	5.3%	85.6%
3%	32%	50%	50%	0	1.5	0.5%	14.6%	84.9%
3%	32%	50%	50%	0.1	1.5	2.7%	12.6%	84.7%
3%	32%	50%	50%	0.2	1.5	4.7%	10.8%	84.5%
3%	32%	50%	50%	0.3	1.5	6.5%	9.2%	84.3%
3%	32%	50%	50%	0	3	0.8%	14.3%	84.9%
3%	32%	50%	50%	0.1	3	3.0%	12.3%	84.6%
3%	32%	50%	50%	0.2	3	5.0%	10.6%	84.4%
3%	32%	50%	50%	0.3	3	6.8%	8.9%	84.2%
3%	32%	50%	64%	0	1.5	0.6%	15.5%	83.9%
3%	32%	50%	64%	0.1	1.5	3.1%	13.5%	83.4%
3%	32%	50%	64%	0.2	1.5	5.4%	11.6%	83.0%
3%	32%	50%	64%	0.3	1.5	7.5%	9.9%	82.6%
3%	32%	50%	64%	0	3	1.0%	17.8%	81.3%
3%	32%	50%	64%	0.1	3	3.1%	16.0%	80.9%
3%	32%	50%	64%	0.2	3	5.1%	14.5%	80.5%
3%	32%	50%	64%	0.3	3	6.9%	13.0%	80.1%
3%	32%	50%	78%	0	1.5	0.7%	17.5%	81.9%
3%	32%	50%	78%	0.1	1.5	3.4%	15.4%	81.2%
3%	32%	50%	78%	0.2	1.5	5.9%	13.5%	80.6%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost as % Total Cost				% of Increm. SFAS 106 Costs		
% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
3%	32%	50%	78%	0.3	1.5	8.3%	11.7%	80.0%
3%	32%	50%	78%	0	3	1.0%	24.6%	74.4%
3%	32%	50%	78%	0.1	3	3.0%	23.0%	74.0%
3%	32%	50%	78%	0.2	3	4.9%	21.5%	73.6%
3%	32%	50%	78%	0.3	3	6.7%	20.1%	73.2%
3%	32%	64%	50%	0	1.5	0.6%	14.0%	85.5%
3%	32%	64%	50%	0.1	1.5	3.1%	11.8%	85.1%
3%	32%	64%	50%	0.2	1.5	5.4%	9.9%	84.8%
3%	32%	64%	50%	0.3	1.5	7.5%	8.1%	84.4%
3%	32%	64%	50%	0	3	1.0%	11.8%	87.2%
3%	32%	64%	50%	0.1	3	3.8%	9.4%	86.8%
3%	32%	64%	50%	0.2	3	6.4%	7.2%	86.4%
3%	32%	64%	50%	0.3	3	8.7%	5.2%	86.1%
3%	32%	64%	64%	0	1.5	0.7%	14.5%	84.8%
3%	32%	64%	64%	0.1	1.5	3.6%	12.4%	84.1%
3%	32%	64%	64%	0.2	1.5	6.2%	10.4%	83.4%
3%	32%	64%	64%	0.3	1.5	8.8%	8.5%	82.8%
3%	32%	64%	64%	0	3	1.3%	14.1%	84.6%
3%	32%	64%	64%	0.1	3	4.1%	12.0%	83.9%
3%	32%	64%	64%	0.2	3	6.7%	10.0%	83.3%
3%	32%	64%	64%	0.3	3	9.2%	8.1%	82.7%
3%	32%	64%	78%	0	1.5	0.8%	16.8%	82.4%
3%	32%	64%	78%	0.1	1.5	4.0%	14.6%	81.4%
3%	32%	64%	78%	0.2	1.5	6.9%	12.6%	80.5%
3%	32%	64%	78%	0.3	1.5	9.8%	10.6%	79.6%
3%	32%	64%	78%	0	3	1.4%	23.0%	75.6%
3%	32%	64%	78%	0.1	3	4.1%	21.1%	74.8%
3%	32%	64%	78%	0.2	3	6.6%	19.3%	74.1%
3%	32%	64%	78%	0.3	3	9.0%	17.6%	73.4%
3%	32%	78%	50%	0	1.5	0.6%	13.0%	86.3%
3%	32%	78%	50%	0.1	1.5	3.4%	10.8%	85.9%
3%	32%	78%	50%	0.2	1.5	5.9%	8.7%	85.4%
3%	32%	78%	50%	0.3	1.5	8.3%	6.7%	85.0%
3%	32%	78%	50%	0	3	1.0%	8.6%	90.3%
3%	32%	78%	50%	0.1	3	4.4%	5.8%	89.8%
3%	32%	78%	50%	0.2	3	7.6%	3.2%	89.3%
3%	32%	78%	50%	0.3	3	10.5%	0.7%	88.8%
3%	32%	78%	64%	0	1.5	0.8%	12.8%	86.4%
3%	32%	78%	64%	0.1	1.5	4.0%	10.5%	85.5%
3%	32%	78%	64%	0.2	1.5	7.0%	8.3%	84.7%
3%	32%	78%	64%	0.3	1.5	9.9%	6.2%	83.9%
3%	32%	78%	64%	0	3	1.4%	7.5%	91.1%
3%	32%	78%	64%	0.1	3	5.0%	4.8%	90.1%
3%	32%	78%	64%	0.2	3	8.4%	2.3%	89.2%
3%	32%	78%	64%	0.3	3	11.6%	-0.0%	88.4%
3%	32%	78%	78%	0	1.5	0.9%	14.4%	84.6%
3%	32%	78%	78%	0.1	1.5	4.5%	12.1%	83.4%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost as % Total Cost				% of Increm. SFAS 106 Costs		
% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
3%	32%	78%	78%	0.2	1.5	7.9%	9.8%	82.3%
3%	32%	78%	78%	0.3	1.5	11.2%	7.7%	81.2%
3%	32%	78%	78%	0	3	1.8%	13.9%	84.3%
3%	32%	78%	78%	0.1	3	5.3%	11.6%	83.1%
3%	32%	78%	78%	0.2	3	8.7%	9.3%	82.0%
3%	32%	78%	78%	0.3	3	11.9%	7.2%	80.9%
3%	40%	50%	50%	0	1.5	0.5%	18.3%	81.2%
3%	40%	50%	50%	0.1	1.5	3.3%	15.8%	80.9%
3%	40%	50%	50%	0.2	1.5	5.8%	13.6%	80.6%
3%	40%	50%	50%	0.3	1.5	8.1%	11.5%	80.4%
3%	40%	50%	50%	0	3	0.9%	17.9%	81.1%
3%	40%	50%	50%	0.1	3	3.7%	15.5%	80.8%
3%	40%	50%	50%	0.2	3	6.1%	13.3%	80.6%
3%	40%	50%	50%	0.3	3	8.4%	11.3%	80.3%
3%	40%	50%	64%	0	1.5	0.6%	19.2%	80.2%
3%	40%	50%	64%	0.1	1.5	3.7%	16.7%	79.6%
3%	40%	50%	64%	0.2	1.5	6.5%	14.4%	79.1%
3%	40%	50%	64%	0.3	1.5	9.2%	12.2%	78.6%
3%	40%	50%	64%	0	3	1.1%	21.4%	77.5%
3%	40%	50%	64%	0.1	3	3.7%	19.3%	77.0%
3%	40%	50%	64%	0.2	3	6.2%	17.2%	76.6%
3%	40%	50%	64%	0.3	3	8.5%	15.4%	76.2%
3%	40%	50%	78%	0	1.5	0.7%	21.0%	78.3%
3%	40%	50%	78%	0.1	1.5	4.0%	18.4%	77.6%
3%	40%	50%	78%	0.2	1.5	7.1%	16.1%	76.8%
3%	40%	50%	78%	0.3	1.5	10.0%	13.9%	76.2%
3%	40%	50%	78%	0	3	1.1%	27.6%	71.3%
3%	40%	50%	78%	0.1	3	3.6%	25.6%	70.8%
3%	40%	50%	78%	0.2	3	6.0%	23.7%	70.3%
3%	40%	50%	78%	0.3	3	8.3%	21.9%	69.9%
3%	40%	64%	50%	0	1.5	0.6%	17.5%	81.9%
3%	40%	64%	50%	0.1	1.5	3.8%	14.9%	81.3%
3%	40%	64%	50%	0.2	1.5	6.7%	12.4%	80.9%
3%	40%	64%	50%	0.3	1.5	9.4%	10.2%	80.4%
3%	40%	64%	50%	0	3	1.1%	15.0%	83.9%
3%	40%	64%	50%	0.1	3	4.6%	12.0%	83.4%
3%	40%	64%	50%	0.2	3	7.9%	9.3%	82.9%
3%	40%	64%	50%	0.3	3	10.8%	6.8%	82.4%
3%	40%	64%	64%	0	1.5	0.8%	18.2%	81.0%
3%	40%	64%	64%	0.1	1.5	4.4%	15.5%	80.1%
3%	40%	64%	64%	0.2	1.5	7.7%	13.0%	79.3%
3%	40%	64%	64%	0.3	1.5	10.9%	10.6%	78.5%
3%	40%	64%	64%	0	3	1.4%	17.7%	80.9%
3%	40%	64%	64%	0.1	3	4.9%	15.1%	80.0%
3%	40%	64%	64%	0.2	3	8.3%	12.6%	79.2%
3%	40%	64%	64%	0.3	3	11.4%	10.2%	78.4%
3%	40%	64%	78%	0	1.5	0.9%	20.6%	78.6%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
% Chg.	Empl.	as % Total Cost		Labor	Price	Reflected	Other	To be met
Labor Cost	Subj to FAS 106	Subj to FAS 106	Not Subj	Supply Elast.	Elast. Demand	in GNP-PI	Macroecon. Effects	by Other Sources
3%	40%	64%	78%	0.1	1.5	4.8%	17.8%	77.4%
3%	40%	64%	78%	0.2	1.5	8.5%	15.2%	76.3%
3%	40%	64%	78%	0.3	1.5	12.0%	12.8%	75.3%
3%	40%	64%	78%	0	3	1.6%	26.8%	71.6%
3%	40%	64%	78%	0.1	3	4.9%	24.4%	70.6%
3%	40%	64%	78%	0.2	3	8.1%	22.1%	69.7%
3%	40%	64%	78%	0.3	3	11.2%	20.0%	68.9%
3%	40%	78%	50%	0	1.5	0.7%	16.3%	83.0%
3%	40%	78%	50%	0.1	1.5	4.2%	13.5%	82.3%
3%	40%	78%	50%	0.2	1.5	7.5%	10.8%	81.7%
3%	40%	78%	50%	0.3	1.5	10.6%	8.3%	81.1%
3%	40%	78%	50%	0	3	1.1%	10.9%	88.0%
3%	40%	78%	50%	0.1	3	5.4%	7.4%	87.3%
3%	40%	78%	50%	0.2	3	9.3%	4.1%	86.6%
3%	40%	78%	50%	0.3	3	13.0%	1.0%	86.0%
3%	40%	78%	64%	0	1.5	0.9%	16.2%	83.0%
3%	40%	78%	64%	0.1	1.5	4.9%	13.2%	81.8%
3%	40%	78%	64%	0.2	1.5	8.8%	10.5%	80.7%
3%	40%	78%	64%	0.3	1.5	12.4%	7.9%	79.7%
3%	40%	78%	64%	0	3	1.6%	9.9%	88.5%
3%	40%	78%	64%	0.1	3	6.1%	6.7%	87.3%
3%	40%	78%	64%	0.2	3	10.3%	3.6%	86.1%
3%	40%	78%	64%	0.3	3	14.3%	0.6%	85.0%
3%	40%	78%	78%	0	1.5	1.0%	18.1%	80.9%
3%	40%	78%	78%	0.1	1.5	5.5%	15.2%	79.3%
3%	40%	78%	78%	0.2	1.5	9.8%	12.3%	77.9%
3%	40%	78%	78%	0.3	1.5	13.8%	9.6%	76.5%
3%	40%	78%	78%	0	3	2.0%	17.5%	80.5%
3%	40%	78%	78%	0.1	3	6.4%	14.6%	79.0%
3%	40%	78%	78%	0.2	3	10.6%	11.8%	77.6%
3%	40%	78%	78%	0.3	3	14.6%	9.1%	76.3%
4.5%	24%	50%	50%	0	1.5	0.9%	16.1%	83.1%
4.5%	24%	50%	50%	0.1	1.5	3.3%	13.9%	82.8%
4.5%	24%	50%	50%	0.2	1.5	5.6%	11.9%	82.6%
4.5%	24%	50%	50%	0.3	1.5	7.6%	10.1%	82.3%
4.5%	24%	50%	50%	0	3	1.5%	15.5%	83.0%
4.5%	24%	50%	50%	0.1	3	3.9%	13.3%	82.7%
4.5%	24%	50%	50%	0.2	3	6.1%	11.4%	82.5%
4.5%	24%	50%	50%	0.3	3	8.1%	9.6%	82.3%
4.5%	24%	50%	64%	0	1.5	1.1%	17.2%	81.7%
4.5%	24%	50%	64%	0.1	1.5	3.9%	15.0%	81.1%
4.5%	24%	50%	64%	0.2	1.5	6.5%	12.9%	80.5%
4.5%	24%	50%	64%	0.3	1.5	8.9%	11.0%	80.0%
4.5%	24%	50%	64%	0	3	1.8%	20.2%	78.0%
4.5%	24%	50%	64%	0.1	3	4.1%	18.3%	77.5%
4.5%	24%	50%	64%	0.2	3	6.3%	16.6%	77.1%
4.5%	24%	50%	64%	0.3	3	8.3%	15.0%	76.7%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost as % Total Cost				% of Increm. SFAS 106 Costs		
% Chg. Labor Subj to Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
4.5%	24%	50%	78%	0	1.5	1.2%	20.3%	78.5%
4.5%	24%	50%	78%	0.1	1.5	4.3%	18.0%	77.7%
4.5%	24%	50%	78%	0.2	1.5	7.2%	15.8%	76.9%
4.5%	24%	50%	78%	0.3	1.5	10.0%	13.8%	76.2%
4.5%	24%	50%	78%	0	3	1.9%	30.7%	67.4%
4.5%	24%	50%	78%	0.1	3	4.1%	29.1%	66.9%
4.5%	24%	50%	78%	0.2	3	6.1%	27.5%	66.4%
4.5%	24%	50%	78%	0.3	3	8.0%	26.0%	66.0%
4.5%	24%	64%	50%	0	1.5	1.0%	15.3%	83.7%
4.5%	24%	64%	50%	0.1	1.5	3.8%	12.9%	83.3%
4.5%	24%	64%	50%	0.2	1.5	6.3%	10.8%	83.0%
4.5%	24%	64%	50%	0.3	1.5	8.6%	8.8%	82.6%
4.5%	24%	64%	50%	0	3	1.8%	12.6%	85.6%
4.5%	24%	64%	50%	0.1	3	4.9%	9.9%	85.2%
4.5%	24%	64%	50%	0.2	3	7.7%	7.5%	84.8%
4.5%	24%	64%	50%	0.3	3	10.3%	5.2%	84.4%
4.5%	24%	64%	64%	0	1.5	1.3%	15.9%	82.8%
4.5%	24%	64%	64%	0.1	1.5	4.5%	13.5%	82.0%
4.5%	24%	64%	64%	0.2	1.5	7.4%	11.3%	81.3%
4.5%	24%	64%	64%	0.3	1.5	10.2%	9.2%	80.6%
4.5%	24%	64%	64%	0	3	2.3%	15.1%	82.6%
4.5%	24%	64%	64%	0.1	3	5.4%	12.8%	81.8%
4.5%	24%	64%	64%	0.2	3	8.4%	10.6%	81.1%
4.5%	24%	64%	64%	0.3	3	11.1%	8.5%	80.4%
4.5%	24%	64%	78%	0	1.5	1.5%	19.0%	79.5%
4.5%	24%	64%	78%	0.1	1.5	5.0%	16.6%	78.4%
4.5%	24%	64%	78%	0.2	1.5	8.4%	14.2%	77.4%
4.5%	24%	64%	78%	0.3	1.5	11.6%	12.0%	76.4%
4.5%	24%	64%	78%	0	3	2.6%	27.1%	70.2%
4.5%	24%	64%	78%	0.1	3	5.6%	25.1%	69.4%
4.5%	24%	64%	78%	0.2	3	8.3%	23.2%	68.5%
4.5%	24%	64%	78%	0.3	3	11.0%	21.3%	67.7%
4.5%	24%	78%	50%	0	1.5	1.1%	14.3%	84.6%
4.5%	24%	78%	50%	0.1	1.5	4.1%	11.8%	84.1%
4.5%	24%	78%	50%	0.2	1.5	6.9%	9.5%	83.6%
4.5%	24%	78%	50%	0.3	1.5	9.4%	7.3%	83.2%
4.5%	24%	78%	50%	0	3	2.0%	9.1%	88.9%
4.5%	24%	78%	50%	0.1	3	5.7%	5.9%	88.4%
4.5%	24%	78%	50%	0.2	3	9.1%	3.0%	87.9%
4.5%	24%	78%	50%	0.3	3	12.3%	0.3%	87.4%
4.5%	24%	78%	64%	0	1.5	1.4%	13.9%	84.7%
4.5%	24%	78%	64%	0.1	1.5	5.0%	11.3%	83.7%
4.5%	24%	78%	64%	0.2	1.5	8.3%	8.9%	82.9%
4.5%	24%	78%	64%	0.3	1.5	11.4%	6.6%	82.0%
4.5%	24%	78%	64%	0	3	2.6%	7.3%	90.0%
4.5%	24%	78%	64%	0.1	3	6.6%	4.4%	89.0%
4.5%	24%	78%	64%	0.2	3	10.3%	1.6%	88.0%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
% Chg.	Empl.	as % Total Cost		Labor	Price	Reflected	Other	To be met
Labor	Subj to	Subj to	Not	Supply	Elast.	in	Macroecon.	by Other
Cost	FAS 106	FAS 106	Subj	Elast.	Demand	GNP-PI	Effects	Sources
4.5%	24%	78%	64%	0.3	3	13.9%	-1.0%	87.1%
4.5%	24%	78%	78%	0	1.5	1.7%	15.8%	82.5%
4.5%	24%	78%	78%	0.1	1.5	5.7%	13.1%	81.2%
4.5%	24%	78%	78%	0.2	1.5	9.5%	10.6%	79.9%
4.5%	24%	78%	78%	0.3	1.5	13.1%	8.2%	78.7%
4.5%	24%	78%	78%	0	3	3.3%	14.7%	82.0%
4.5%	24%	78%	78%	0.1	3	7.1%	12.2%	80.7%
4.5%	24%	78%	78%	0.2	3	10.9%	9.7%	79.4%
4.5%	24%	78%	78%	0.3	3	14.4%	7.4%	78.2%
4.5%	32%	50%	50%	0	1.5	1.0%	21.5%	77.5%
4.5%	32%	50%	50%	0.1	1.5	4.3%	18.5%	77.1%
4.5%	32%	50%	50%	0.2	1.5	7.3%	15.9%	76.8%
4.5%	32%	50%	50%	0.3	1.5	10.0%	13.5%	76.5%
4.5%	32%	50%	50%	0	3	1.8%	20.8%	77.4%
4.5%	32%	50%	50%	0.1	3	5.0%	17.9%	77.1%
4.5%	32%	50%	50%	0.2	3	8.0%	15.3%	76.7%
4.5%	32%	50%	50%	0.3	3	10.7%	12.9%	76.4%
4.5%	32%	50%	64%	0	1.5	1.3%	22.7%	76.0%
4.5%	32%	50%	64%	0.1	1.5	5.0%	19.8%	75.2%
4.5%	32%	50%	64%	0.2	1.5	8.4%	17.0%	74.6%
4.5%	32%	50%	64%	0.3	1.5	11.6%	14.5%	73.9%
4.5%	32%	50%	64%	0	3	2.2%	25.9%	72.0%
4.5%	32%	50%	64%	0.1	3	5.3%	23.4%	71.4%
4.5%	32%	50%	64%	0.2	3	8.2%	21.0%	70.8%
4.5%	32%	50%	64%	0.3	3	10.8%	18.9%	70.3%
4.5%	32%	50%	78%	0	1.5	1.4%	25.7%	72.9%
4.5%	32%	50%	78%	0.1	1.5	5.4%	22.7%	71.9%
4.5%	32%	50%	78%	0.2	1.5	9.2%	19.8%	70.9%
4.5%	32%	50%	78%	0.3	1.5	12.8%	17.2%	70.1%
4.5%	32%	50%	78%	0	3	2.2%	36.0%	61.7%
4.5%	32%	50%	78%	0.1	3	5.2%	33.7%	61.1%
4.5%	32%	50%	78%	0.2	3	7.9%	31.5%	60.5%
4.5%	32%	50%	78%	0.3	3	10.6%	29.5%	60.0%
4.5%	32%	64%	50%	0	1.5	1.2%	20.5%	78.3%
4.5%	32%	64%	50%	0.1	1.5	4.9%	17.3%	77.7%
4.5%	32%	64%	50%	0.2	1.5	8.4%	14.4%	77.2%
4.5%	32%	64%	50%	0.3	1.5	11.5%	11.8%	76.7%
4.5%	32%	64%	50%	0	3	2.1%	17.0%	80.8%
4.5%	32%	64%	50%	0.1	3	6.3%	13.5%	80.2%
4.5%	32%	64%	50%	0.2	3	10.1%	10.3%	79.6%
4.5%	32%	64%	50%	0.3	3	13.6%	7.3%	79.1%
4.5%	32%	64%	64%	0	1.5	1.5%	21.3%	77.2%
4.5%	32%	64%	64%	0.1	1.5	5.8%	18.1%	76.1%
4.5%	32%	64%	64%	0.2	1.5	9.8%	15.1%	75.1%
4.5%	32%	64%	64%	0.3	1.5	13.5%	12.3%	74.2%
4.5%	32%	64%	64%	0	3	2.8%	20.3%	76.9%
4.5%	32%	64%	64%	0.1	3	7.0%	17.2%	75.8%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost as % Total Cost				% of Increm. SFAS 106 Costs		
% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
4.5%	32%	64%	64%	0.2	3	10.9%	14.3%	74.9%
4.5%	32%	64%	64%	0.3	3	14.5%	11.5%	73.9%
4.5%	32%	64%	78%	0	1.5	1.8%	24.7%	73.5%
4.5%	32%	64%	78%	0.1	1.5	6.4%	21.4%	72.1%
4.5%	32%	64%	78%	0.2	1.5	10.9%	18.4%	70.8%
4.5%	32%	64%	78%	0.3	1.5	15.1%	15.4%	69.5%
4.5%	32%	64%	78%	0	3	3.1%	33.6%	63.3%
4.5%	32%	64%	78%	0.1	3	7.1%	30.8%	62.2%
4.5%	32%	64%	78%	0.2	3	10.8%	28.1%	61.1%
4.5%	32%	64%	78%	0.3	3	14.4%	25.6%	60.0%
4.5%	32%	78%	50%	0	1.5	1.4%	19.1%	79.6%
4.5%	32%	78%	50%	0.1	1.5	5.5%	15.7%	78.8%
4.5%	32%	78%	50%	0.2	1.5	9.3%	12.6%	78.2%
4.5%	32%	78%	50%	0.3	1.5	12.8%	9.7%	77.5%
4.5%	32%	78%	50%	0	3	2.3%	12.2%	85.5%
4.5%	32%	78%	50%	0.1	3	7.3%	8.0%	84.7%
4.5%	32%	78%	50%	0.2	3	11.9%	4.2%	83.9%
4.5%	32%	78%	50%	0.3	3	16.2%	0.5%	83.2%
4.5%	32%	78%	64%	0	1.5	1.7%	18.7%	79.6%
4.5%	32%	78%	64%	0.1	1.5	6.5%	15.2%	78.3%
4.5%	32%	78%	64%	0.2	1.5	11.0%	12.0%	77.0%
4.5%	32%	78%	64%	0.3	1.5	15.2%	8.9%	75.9%
4.5%	32%	78%	64%	0	3	3.1%	10.4%	86.4%
4.5%	32%	78%	64%	0.1	3	8.5%	6.5%	85.0%
4.5%	32%	78%	64%	0.2	3	13.5%	2.9%	83.7%
4.5%	32%	78%	64%	0.3	3	18.2%	-0.6%	82.4%
4.5%	32%	78%	78%	0	1.5	2.1%	21.1%	76.8%
4.5%	32%	78%	78%	0.1	1.5	7.4%	17.6%	75.0%
4.5%	32%	78%	78%	0.2	1.5	12.4%	14.3%	73.3%
4.5%	32%	78%	78%	0.3	1.5	17.3%	11.0%	71.7%
4.5%	32%	78%	78%	0	3	3.9%	19.9%	76.2%
4.5%	32%	78%	78%	0.1	3	9.1%	16.4%	74.4%
4.5%	32%	78%	78%	0.2	3	14.1%	13.2%	72.8%
4.5%	32%	78%	78%	0.3	3	18.8%	10.0%	71.2%
4.5%	40%	50%	50%	0	1.5	1.2%	26.9%	72.0%
4.5%	40%	50%	50%	0.1	1.5	5.3%	23.2%	71.5%
4.5%	40%	50%	50%	0.2	1.5	9.0%	19.9%	71.1%
4.5%	40%	50%	50%	0.3	1.5	12.4%	16.9%	70.7%
4.5%	40%	50%	50%	0	3	2.0%	26.1%	71.9%
4.5%	40%	50%	50%	0.1	3	6.1%	22.5%	71.4%
4.5%	40%	50%	50%	0.2	3	9.7%	19.3%	71.0%
4.5%	40%	50%	50%	0.3	3	13.1%	16.3%	70.6%
4.5%	40%	50%	64%	0	1.5	1.4%	28.2%	70.4%
4.5%	40%	50%	64%	0.1	1.5	5.9%	24.5%	69.6%
4.5%	40%	50%	64%	0.2	1.5	10.2%	21.1%	68.8%
4.5%	40%	50%	64%	0.3	1.5	14.1%	17.9%	68.0%
4.5%	40%	50%	64%	0	3	2.4%	31.3%	66.3%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
% Chg.	Empl.	as % Total Cost						
Labor Subj to Cost	Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
4.5%	40%	50%	64%	0.1	3	6.3%	28.1%	65.6%
4.5%	40%	50%	64%	0.2	3	9.9%	25.1%	65.0%
4.5%	40%	50%	64%	0.3	3	13.3%	22.4%	64.3%
4.5%	40%	50%	78%	0	1.5	1.6%	30.8%	67.6%
4.5%	40%	50%	78%	0.1	1.5	6.4%	27.1%	66.5%
4.5%	40%	50%	78%	0.2	1.5	11.0%	23.6%	65.4%
4.5%	40%	50%	78%	0.3	1.5	15.3%	20.3%	64.4%
4.5%	40%	50%	78%	0	3	2.5%	40.5%	57.0%
4.5%	40%	50%	78%	0.1	3	6.2%	37.5%	56.3%
4.5%	40%	50%	78%	0.2	3	9.7%	34.7%	55.6%
4.5%	40%	50%	78%	0.3	3	13.0%	32.1%	55.0%
4.5%	40%	64%	50%	0	1.5	1.4%	25.7%	72.9%
4.5%	40%	64%	50%	0.1	1.5	6.1%	21.8%	72.2%
4.5%	40%	64%	50%	0.2	1.5	10.4%	18.1%	71.4%
4.5%	40%	64%	50%	0.3	1.5	14.4%	14.8%	70.8%
4.5%	40%	64%	50%	0	3	2.4%	21.6%	76.0%
4.5%	40%	64%	50%	0.1	3	7.6%	17.3%	75.1%
4.5%	40%	64%	50%	0.2	3	12.4%	13.2%	74.4%
4.5%	40%	64%	50%	0.3	3	16.8%	9.5%	73.6%
4.5%	40%	64%	64%	0	1.5	1.7%	26.7%	71.6%
4.5%	40%	64%	64%	0.1	1.5	7.0%	22.7%	70.3%
4.5%	40%	64%	64%	0.2	1.5	12.0%	19.0%	69.0%
4.5%	40%	64%	64%	0.3	1.5	16.7%	15.5%	67.9%
4.5%	40%	64%	64%	0	3	3.1%	25.7%	71.3%
4.5%	40%	64%	64%	0.1	3	8.3%	21.7%	69.9%
4.5%	40%	64%	64%	0.2	3	13.2%	18.0%	68.7%
4.5%	40%	64%	64%	0.3	3	17.8%	14.6%	67.6%
4.5%	40%	64%	78%	0	1.5	1.9%	30.2%	67.9%
4.5%	40%	64%	78%	0.1	1.5	7.7%	26.1%	66.2%
4.5%	40%	64%	78%	0.2	1.5	13.2%	22.3%	64.5%
4.5%	40%	64%	78%	0.3	1.5	18.4%	18.6%	63.0%
4.5%	40%	64%	78%	0	3	3.5%	39.2%	57.4%
4.5%	40%	64%	78%	0.1	3	8.4%	35.6%	56.0%
4.5%	40%	64%	78%	0.2	3	13.1%	32.3%	54.6%
4.5%	40%	64%	78%	0.3	3	17.6%	29.1%	53.3%
4.5%	40%	78%	50%	0	1.5	1.5%	23.9%	74.6%
4.5%	40%	78%	50%	0.1	1.5	6.8%	19.7%	73.6%
4.5%	40%	78%	50%	0.2	1.5	11.7%	15.7%	72.6%
4.5%	40%	78%	50%	0.3	1.5	16.2%	12.1%	71.7%
4.5%	40%	78%	50%	0	3	2.5%	15.5%	82.0%
4.5%	40%	78%	50%	0.1	3	8.8%	10.3%	80.9%
4.5%	40%	78%	50%	0.2	3	14.7%	5.5%	79.9%
4.5%	40%	78%	50%	0.3	3	20.1%	0.9%	78.9%
4.5%	40%	78%	64%	0	1.5	1.9%	23.6%	74.4%
4.5%	40%	78%	64%	0.1	1.5	8.0%	19.3%	72.7%
4.5%	40%	78%	64%	0.2	1.5	13.7%	15.2%	71.1%
4.5%	40%	78%	64%	0.3	1.5	19.0%	11.4%	69.6%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
		as % Total Cost						
% Chg.	Empl.	Subj to	Not	Labor	Price	Reflected	Other	To be met
Labor Cost	Subj to	FAS 106	Subj	Supply	Elast.	in	Macroecon.	by Other
	FAS 106			Elast.	Demand	GNP-PI	Effects	Sources
4.5%	40%	78%	64%	0	3	3.5%	14.0%	82.5%
4.5%	40%	78%	64%	0.1	3	10.1%	9.1%	80.7%
4.5%	40%	78%	64%	0.2	3	16.4%	4.6%	79.0%
4.5%	40%	78%	64%	0.3	3	22.4%	0.3%	77.4%
4.5%	40%	78%	78%	0	1.5	2.3%	26.5%	71.2%
4.5%	40%	78%	78%	0.1	1.5	8.9%	22.1%	69.0%
4.5%	40%	78%	78%	0.2	1.5	15.2%	17.9%	66.8%
4.5%	40%	78%	78%	0.3	1.5	21.3%	13.9%	64.7%
4.5%	40%	78%	78%	0	3	4.4%	25.1%	70.5%
4.5%	40%	78%	78%	0.1	3	10.9%	20.8%	68.3%
4.5%	40%	78%	78%	0.2	3	17.1%	16.7%	66.2%
4.5%	40%	78%	78%	0.3	3	23.1%	12.8%	64.2%

EXHIBIT 3

Inputs:

- (1) Percentage increase in Labor Cost in Sector of Economy Subject to SFAS 106
- (2) Share of Employment in Sector Subject to SFAS 106
- (3) Labor Cost as a Share of Total Cost in Sector Subject to SFAS 106
- (4) Labor Cost as a Share of Total Cost in Sector Not Subject to SFAS 106
- (5) Labor Supply Elasticity for U.S. Economy
- (6) Price Elasticity of Demand in each Sector

Results:

Percentage of Telco's Additional SFAS 106 Costs -

- (A) Reflected in GNP-PI
- (B) Financed by Potential Reductions in National Average Wage Rate and Other Macroeconomic Effects
- (C) To be Met by Other Sources

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
	%	as % Total Cost						
% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
2%	24%	50%	70%	0	1.5	0.2%	8.4%	91.3%
2%	24%	50%	70%	0.1	1.5	1.6%	7.4%	91.0%
2%	24%	50%	70%	0.2	1.5	2.8%	6.5%	90.7%
2%	24%	50%	70%	0.3	1.5	4.0%	5.6%	90.4%
2%	24%	50%	70%	0	3	0.4%	11.2%	88.4%
2%	24%	50%	70%	0.1	3	1.4%	10.4%	88.2%
2%	24%	50%	70%	0.2	3	2.4%	9.7%	88.0%
2%	24%	50%	70%	0.3	3	3.3%	9.0%	87.8%
2%	24%	64%	64%	0	1.5	0.3%	7.4%	92.4%
2%	24%	64%	64%	0.1	1.5	1.7%	6.3%	92.0%
2%	24%	64%	64%	0.2	1.5	3.1%	5.3%	91.7%
2%	24%	64%	64%	0.3	1.5	4.3%	4.3%	91.4%
2%	24%	64%	64%	0	3	0.5%	7.2%	92.3%
2%	24%	64%	64%	0.1	3	1.9%	6.1%	92.0%
2%	24%	64%	64%	0.2	3	3.2%	5.1%	91.6%
2%	24%	64%	64%	0.3	3	4.5%	4.2%	91.3%
2%	24%	78%	61%	0	1.5	0.3%	6.5%	93.3%
2%	24%	78%	61%	0.1	1.5	1.8%	5.3%	92.9%
2%	24%	78%	61%	0.2	1.5	3.3%	4.2%	92.5%
2%	24%	78%	61%	0.3	1.5	4.6%	3.2%	92.2%
2%	24%	78%	61%	0	3	0.5%	3.7%	95.8%
2%	24%	78%	61%	0.1	3	2.3%	2.3%	95.4%
2%	24%	78%	61%	0.2	3	4.0%	1.0%	95.0%
2%	24%	78%	61%	0.3	3	5.6%	-0.2%	94.6%
2%	32%	50%	74%	0	1.5	0.3%	11.3%	88.4%
2%	32%	50%	74%	0.1	1.5	2.1%	9.9%	88.0%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
	%	as % Total Cost						
% Chg.	Empl.	Subj to	Not	Labor	Price	Reflected	Other	To be met
Labor	Subj to	FAS 106	Subj	Supply	Elast.	in	Macroecon.	by Other
Cost	FAS 106	FAS 106	Subj	Elast.	Demand	GNP-PI	Effects	Sources
2%	32%	50%	74%	0.2	1.5	3.7%	8.7%	87.6%
2%	32%	50%	74%	0.3	1.5	5.3%	7.5%	87.2%
2%	32%	50%	74%	0	3	0.5%	15.0%	84.5%
2%	32%	50%	74%	0.1	3	1.8%	14.0%	84.2%
2%	32%	50%	74%	0.2	3	3.1%	13.0%	83.9%
2%	32%	50%	74%	0.3	3	4.3%	12.0%	83.7%
2%	32%	64%	64%	0	1.5	0.3%	9.8%	89.8%
2%	32%	64%	64%	0.1	1.5	2.2%	8.4%	89.4%
2%	32%	64%	64%	0.2	1.5	4.0%	7.0%	88.9%
2%	32%	64%	64%	0.3	1.5	5.7%	5.8%	88.5%
2%	32%	64%	64%	0	3	0.6%	9.7%	89.8%
2%	32%	64%	64%	0.1	3	2.5%	8.2%	89.3%
2%	32%	64%	64%	0.2	3	4.3%	6.9%	88.9%
2%	32%	64%	64%	0.3	3	5.9%	5.6%	88.5%
2%	32%	78%	59%	0	1.5	0.3%	8.7%	91.0%
2%	32%	78%	59%	0.1	1.5	2.4%	7.1%	90.5%
2%	32%	78%	59%	0.2	1.5	4.3%	5.6%	90.1%
2%	32%	78%	59%	0.3	1.5	6.1%	4.3%	89.6%
2%	32%	78%	59%	0	3	0.6%	5.1%	94.3%
2%	32%	78%	59%	0.1	3	3.0%	3.3%	93.7%
2%	32%	78%	59%	0.2	3	5.2%	1.6%	93.2%
2%	32%	78%	59%	0.3	3	7.3%	-0.1%	92.7%
2%	40%	50%	79%	0	1.5	0.3%	14.2%	85.4%
2%	40%	50%	79%	0.1	1.5	2.5%	12.5%	84.9%
2%	40%	50%	79%	0.2	1.5	4.6%	10.9%	84.4%
2%	40%	50%	79%	0.3	1.5	6.6%	9.5%	84.0%
2%	40%	50%	79%	0	3	0.5%	18.9%	80.6%
2%	40%	50%	79%	0.1	3	2.2%	17.6%	80.2%
2%	40%	50%	79%	0.2	3	3.8%	16.3%	79.9%
2%	40%	50%	79%	0.3	3	5.3%	15.1%	79.6%
2%	40%	64%	64%	0	1.5	0.3%	12.3%	87.3%
2%	40%	64%	64%	0.1	1.5	2.8%	10.5%	86.7%
2%	40%	64%	64%	0.2	1.5	5.0%	8.8%	86.2%
2%	40%	64%	64%	0.3	1.5	7.1%	7.2%	85.7%
2%	40%	64%	64%	0	3	0.6%	12.1%	87.3%
2%	40%	64%	64%	0.1	3	3.0%	10.3%	86.7%
2%	40%	64%	64%	0.2	3	5.3%	8.6%	86.1%
2%	40%	64%	64%	0.3	3	7.4%	7.0%	85.6%
2%	40%	78%	57%	0	1.5	0.4%	10.9%	88.8%
2%	40%	78%	57%	0.1	1.5	2.9%	8.9%	88.1%
2%	40%	78%	57%	0.2	1.5	5.3%	7.1%	87.6%
2%	40%	78%	57%	0.3	1.5	7.6%	5.4%	87.0%
2%	40%	78%	57%	0	3	0.6%	6.8%	92.6%
2%	40%	78%	57%	0.1	3	3.6%	4.5%	92.0%
2%	40%	78%	57%	0.2	3	6.4%	2.3%	91.3%
2%	40%	78%	57%	0.3	3	9.0%	0.2%	90.8%
3%	24%	50%	70%	0	1.5	0.5%	12.5%	87.0%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
	%	as % Total Cost				-----		
% Chg.	Empl.	Subj to	Not	Labor	Price	Reflected	Other	To be met
Labor	Subj to	FAS 106	Subj	Supply	Elast.	in	Macroecon.	by Other
Cost	FAS 106	FAS 106	Subj	Elast.	Demand	GNP-PI	Effects	Sources
-----	-----	-----	-----	-----	-----	-----	-----	-----
3%	24%	50%	70%	0.1	1.5	2.5%	11.0%	86.5%
3%	24%	50%	70%	0.2	1.5	4.4%	9.5%	86.1%
3%	24%	50%	70%	0.3	1.5	6.1%	8.2%	85.7%
3%	24%	50%	70%	0	3	0.9%	16.5%	82.6%
3%	24%	50%	70%	0.1	3	2.4%	15.3%	82.3%
3%	24%	50%	70%	0.2	3	3.8%	14.2%	82.0%
3%	24%	50%	70%	0.3	3	5.1%	13.2%	81.7%
3%	24%	64%	64%	0	1.5	0.6%	10.9%	88.5%
3%	24%	64%	64%	0.1	1.5	2.7%	9.3%	88.0%
3%	24%	64%	64%	0.2	1.5	4.7%	7.7%	87.5%
3%	24%	64%	64%	0.3	1.5	6.6%	6.3%	87.1%
3%	24%	64%	64%	0	3	1.1%	10.5%	88.4%
3%	24%	64%	64%	0.1	3	3.2%	8.9%	87.9%
3%	24%	64%	64%	0.2	3	5.2%	7.4%	87.4%
3%	24%	64%	64%	0.3	3	7.0%	6.0%	87.0%
3%	24%	78%	61%	0	1.5	0.6%	9.5%	89.9%
3%	24%	78%	61%	0.1	1.5	2.9%	7.8%	89.3%
3%	24%	78%	61%	0.2	1.5	5.1%	6.1%	88.8%
3%	24%	78%	61%	0.3	1.5	7.1%	4.6%	88.3%
3%	24%	78%	61%	0	3	1.1%	5.2%	93.7%
3%	24%	78%	61%	0.1	3	3.8%	3.2%	93.0%
3%	24%	78%	61%	0.2	3	6.3%	1.3%	92.4%
3%	24%	78%	61%	0.3	3	8.6%	-0.5%	91.9%
3%	32%	50%	74%	0	1.5	0.6%	16.7%	82.6%
3%	32%	50%	74%	0.1	1.5	3.3%	14.7%	82.0%
3%	32%	50%	74%	0.2	1.5	5.8%	12.8%	81.4%
3%	32%	50%	74%	0.3	1.5	8.1%	11.0%	80.9%
3%	32%	50%	74%	0	3	1.0%	22.2%	76.8%
3%	32%	50%	74%	0.1	3	3.0%	20.6%	76.4%
3%	32%	50%	74%	0.2	3	4.9%	19.1%	76.0%
3%	32%	50%	74%	0.3	3	6.7%	17.7%	75.6%
3%	32%	64%	64%	0	1.5	0.7%	14.5%	84.8%
3%	32%	64%	64%	0.1	1.5	3.6%	12.4%	84.1%
3%	32%	64%	64%	0.2	1.5	6.2%	10.4%	83.4%
3%	32%	64%	64%	0.3	1.5	8.8%	8.5%	82.8%
3%	32%	64%	64%	0	3	1.3%	14.1%	84.6%
3%	32%	64%	64%	0.1	3	4.1%	12.0%	83.9%
3%	32%	64%	64%	0.2	3	6.7%	10.0%	83.3%
3%	32%	64%	64%	0.3	3	9.2%	8.1%	82.7%
3%	32%	78%	59%	0	1.5	0.7%	12.8%	86.5%
3%	32%	78%	59%	0.1	1.5	3.8%	10.4%	85.8%
3%	32%	78%	59%	0.2	1.5	6.7%	8.3%	85.1%
3%	32%	78%	59%	0.3	1.5	9.3%	6.2%	84.4%
3%	32%	78%	59%	0	3	1.3%	7.4%	91.4%
3%	32%	78%	59%	0.1	3	4.8%	4.6%	90.5%
3%	32%	78%	59%	0.2	3	8.2%	2.1%	89.8%
3%	32%	78%	59%	0.3	3	11.3%	-0.3%	89.1%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost				% of Increm. SFAS 106 Costs		
% Chg.	Empl.	as % Total Cost						
Labor	Subj to	Subj to	Not	Labor	Price	Reflected	Other	To be met
Cost	FAS 106	FAS 106	Subj	Supply	Elast.	in	Macroecon.	by Other
				Elast.	Demand	GNP-PI	Effects	Sources
3%	40%	50%	79%	0	1.5	0.7%	21.1%	78.2%
3%	40%	50%	79%	0.1	1.5	4.0%	18.6%	77.4%
3%	40%	50%	79%	0.2	1.5	7.1%	16.2%	76.7%
3%	40%	50%	79%	0.3	1.5	10.0%	14.0%	76.0%
3%	40%	50%	79%	0	3	1.1%	28.0%	70.9%
3%	40%	50%	79%	0.1	3	3.6%	25.9%	70.4%
3%	40%	50%	79%	0.2	3	6.0%	24.0%	70.0%
3%	40%	50%	79%	0.3	3	8.3%	22.2%	69.5%
3%	40%	64%	64%	0	1.5	0.8%	18.2%	81.0%
3%	40%	64%	64%	0.1	1.5	4.4%	15.5%	80.1%
3%	40%	64%	64%	0.2	1.5	7.7%	13.0%	79.3%
3%	40%	64%	64%	0.3	1.5	10.9%	10.6%	78.5%
3%	40%	64%	64%	0	3	1.4%	17.7%	80.9%
3%	40%	64%	64%	0.1	3	4.9%	15.1%	80.0%
3%	40%	64%	64%	0.2	3	8.3%	12.6%	79.2%
3%	40%	64%	64%	0.3	3	11.4%	10.2%	78.4%
3%	40%	78%	57%	0	1.5	0.8%	16.1%	83.2%
3%	40%	78%	57%	0.1	1.5	4.6%	13.2%	82.2%
3%	40%	78%	57%	0.2	1.5	8.2%	10.5%	81.4%
3%	40%	78%	57%	0.3	1.5	11.5%	7.9%	80.5%
3%	40%	78%	57%	0	3	1.4%	9.7%	88.9%
3%	40%	78%	57%	0.1	3	5.8%	6.3%	87.9%
3%	40%	78%	57%	0.2	3	9.9%	3.1%	87.0%
3%	40%	78%	57%	0.3	3	13.8%	0.1%	86.1%
4.5%	24%	50%	70%	0	1.5	1.1%	18.3%	80.6%
4.5%	24%	50%	70%	0.1	1.5	4.1%	16.1%	79.8%
4.5%	24%	50%	70%	0.2	1.5	6.9%	14.0%	79.2%
4.5%	24%	50%	70%	0.3	1.5	9.4%	12.0%	78.6%
4.5%	24%	50%	70%	0	3	1.9%	24.1%	74.0%
4.5%	24%	50%	70%	0.1	3	4.1%	22.4%	73.5%
4.5%	24%	50%	70%	0.2	3	6.2%	20.8%	73.0%
4.5%	24%	50%	70%	0.3	3	8.2%	19.2%	72.6%
4.5%	24%	64%	64%	0	1.5	1.3%	15.9%	82.8%
4.5%	24%	64%	64%	0.1	1.5	4.5%	13.5%	82.0%
4.5%	24%	64%	64%	0.2	1.5	7.4%	11.3%	81.3%
4.5%	24%	64%	64%	0.3	1.5	10.2%	9.2%	80.6%
4.5%	24%	64%	64%	0	3	2.3%	15.1%	82.6%
4.5%	24%	64%	64%	0.1	3	5.4%	12.8%	81.8%
4.5%	24%	64%	64%	0.2	3	8.4%	10.6%	81.1%
4.5%	24%	64%	64%	0.3	3	11.1%	8.5%	80.4%
4.5%	24%	78%	61%	0	1.5	1.4%	13.8%	84.8%
4.5%	24%	78%	61%	0.1	1.5	4.8%	11.3%	84.0%
4.5%	24%	78%	61%	0.2	1.5	8.0%	8.9%	83.2%
4.5%	24%	78%	61%	0.3	1.5	11.0%	6.6%	82.4%
4.5%	24%	78%	61%	0	3	2.5%	7.2%	90.3%
4.5%	24%	78%	61%	0.1	3	6.4%	4.2%	89.4%
4.5%	24%	78%	61%	0.2	3	10.1%	1.4%	88.5%

(1)	(2)	(3)	(4)	(5)	(6)	(A)	(B)	(C)
		Labor Cost as % Total Cost				% of Increm. SFAS 106 Costs		
% Chg. Labor Cost	Empl. Subj to FAS 106	Subj to FAS 106	Not Subj	Labor Supply Elast.	Price Elast. Demand	Reflected in GNP-PI	Other Macroecon. Effects	To be met by Other Sources
4.5%	24%	78%	61%	0.3	3	13.6%	-1.2%	87.7%
4.5%	32%	50%	74%	0	1.5	1.4%	24.6%	74.0%
4.5%	32%	50%	74%	0.1	1.5	5.3%	21.6%	73.1%
4.5%	32%	50%	74%	0.2	1.5	9.0%	18.8%	72.2%
4.5%	32%	50%	74%	0.3	1.5	12.4%	16.2%	71.4%
4.5%	32%	50%	74%	0	3	2.2%	32.5%	65.3%
4.5%	32%	50%	74%	0.1	3	5.2%	30.1%	64.6%
4.5%	32%	50%	74%	0.2	3	8.0%	27.9%	64.1%
4.5%	32%	50%	74%	0.3	3	10.6%	25.9%	63.5%
4.5%	32%	64%	64%	0	1.5	1.5%	21.3%	77.2%
4.5%	32%	64%	64%	0.1	1.5	5.8%	18.1%	76.1%
4.5%	32%	64%	64%	0.2	1.5	9.8%	15.1%	75.1%
4.5%	32%	64%	64%	0.3	1.5	13.5%	12.3%	74.2%
4.5%	32%	64%	64%	0	3	2.8%	20.3%	76.9%
4.5%	32%	64%	64%	0.1	3	7.0%	17.2%	75.8%
4.5%	32%	64%	64%	0.2	3	10.9%	14.3%	74.9%
4.5%	32%	64%	64%	0.3	3	14.5%	11.5%	73.9%
4.5%	32%	78%	59%	0	1.5	1.6%	18.6%	79.8%
4.5%	32%	78%	59%	0.1	1.5	6.2%	15.2%	78.7%
4.5%	32%	78%	59%	0.2	1.5	10.4%	12.0%	77.6%
4.5%	32%	78%	59%	0.3	1.5	14.4%	9.0%	76.6%
4.5%	32%	78%	59%	0	3	2.8%	10.3%	86.9%
4.5%	32%	78%	59%	0.1	3	8.1%	6.3%	85.6%
4.5%	32%	78%	59%	0.2	3	13.0%	2.5%	84.5%
4.5%	32%	78%	59%	0.3	3	17.6%	-1.1%	83.4%
4.5%	40%	50%	79%	0	1.5	1.6%	31.0%	67.4%
4.5%	40%	50%	79%	0.1	1.5	6.5%	27.3%	66.3%
4.5%	40%	50%	79%	0.2	1.5	11.0%	23.8%	65.2%
4.5%	40%	50%	79%	0.3	1.5	15.3%	20.5%	64.2%
4.5%	40%	50%	79%	0	3	2.5%	41.0%	56.5%
4.5%	40%	50%	79%	0.1	3	6.2%	38.0%	55.8%
4.5%	40%	50%	79%	0.2	3	9.7%	35.2%	55.1%
4.5%	40%	50%	79%	0.3	3	13.0%	32.6%	54.4%
4.5%	40%	64%	64%	0	1.5	1.7%	26.7%	71.6%
4.5%	40%	64%	64%	0.1	1.5	7.0%	22.7%	70.3%
4.5%	40%	64%	64%	0.2	1.5	12.0%	19.0%	69.0%
4.5%	40%	64%	64%	0.3	1.5	16.7%	15.5%	67.9%
4.5%	40%	64%	64%	0	3	3.1%	25.7%	71.3%
4.5%	40%	64%	64%	0.1	3	8.3%	21.7%	69.9%
4.5%	40%	64%	64%	0.2	3	13.2%	18.0%	68.7%
4.5%	40%	64%	64%	0.3	3	17.8%	14.6%	67.6%
4.5%	40%	78%	57%	0	1.5	1.7%	23.5%	74.8%
4.5%	40%	78%	57%	0.1	1.5	7.4%	19.2%	73.4%
4.5%	40%	78%	57%	0.2	1.5	12.7%	15.2%	72.1%
4.5%	40%	78%	57%	0.3	1.5	17.7%	11.4%	70.8%
4.5%	40%	78%	57%	0	3	3.0%	13.7%	83.3%
4.5%	40%	78%	57%	0.1	3	9.5%	8.7%	81.8%
4.5%	40%	78%	57%	0.2	3	15.7%	3.9%	80.4%
4.5%	40%	78%	57%	0.3	3	21.5%	-0.5%	79.0%

Attachment G - 1992 Further Explanation of Macroeconomic Model

Additional Exposition of the Macroeconomic Model
used in the Godwins Report

Andrew B. Abel

Part I of Appendix C in the Godwins Report contains a complete derivation of the macroeconomic model used in that report. Below is a list of the equations that must be satisfied by a solution to the model. The general model described in Appendix C applies to any number of sectors. Since the model is implemented as a two-sector model, the equations below are written without using summation notation.

$$(A4) \quad P = (\alpha_1^\theta P_1^{1-\theta} + \alpha_2^\theta P_2^{1-\theta})^{1/(1-\theta)}$$

$$(A8) \quad P_1 C_1 + P_2 C_2 = (\gamma/(1-\gamma))M$$

$$(A15) \quad N^* = \nu(w/P)^\eta$$

$$(A16) \quad Y_i = A_i N_i^{\rho_i} K_i^{1-\rho_i} \quad i = 1, 2$$

$$(A18) \quad \rho_i P_i Y_i / N_i = w D_i \quad i = 1, 2$$

$$(A19) \quad (1-\rho_i) P_i Y_i / K_i = r \quad i = 1, 2$$

$$(A20) \quad N_1 + N_2 = N^*$$

$$(A21) \quad K_1 + K_2 = K^*$$

$$(A22) \quad M = M^*$$

$$(A23) \quad Y_i = \alpha_i^\theta (P_i/P)^{-\theta} (\gamma/(1-\gamma))M/P \quad i = 1, 2$$

$$(A24) \quad P_1 Y_1 + P_2 Y_2 = r K^* + w D_1 N_1 + w D_2 N_2$$

In addition, the solution must satisfy

$$C_i = Y_i \quad i = 1, 2$$

Part II of Appendix C of the Godwins Report describes the calibration of the model. An expanded version of Part II of Appendix C, which is written without summation notation and provides somewhat more detail than the version in the Godwins Report, is appended to the end of this document. Below are lists of input values of variables for (1) the initial calibration of the model; and (2) the calculation of the effect of SFAS 106.

Input variables for the initial calibration:

$$\eta = 0.0$$

$$\theta = 1.5$$

$$\rho_1 = 0.64$$

$$\rho_2 = 0.64$$

$$D_1 = 1.0$$

$$D_2 = 1.0$$

$$s_1^N = N_1/N^* = 0.68 \quad \left[\text{used to determine } s_1^Y \text{ from equation (B4), which is used to determine } \alpha_1 \text{ from equation (B15)} \right]$$

In addition, there are other inputs to the model that are simply normalizations. None of the important results of the model depends on the values of these inputs.

$$\gamma = 0.25$$

$$N_0^* = 100 \quad \left[\text{used to determine } \nu \text{ from equation (B9)} \right]$$

$$K^* = 100$$

$$A_1 = 1.0$$

$$P_1 = P_2 = P = 1.0$$